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ORGANIZATION AND METHODS SERVICE

SURVEY REPORT

2-6-53

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SUBJECT: Organization and Functions of the Procurement and Supply Office

1. PROBLEM. The determination that the P&SO should provide complete logistical support for all agency operations plus the transfer to that Office of the related logistical planning, transportation, real estate, and construction organizations creates a situation whereby:

- a. An organizational pattern is required which will provide adequate supervision and technical direction of the far-flung activities to be carried out by the Office and the proper distribution of responsibility within the Office for the functions to be performed.
- b. A Table of Organization is required to provide a sufficient number of positions to maintain an "on board" force capable of efficient and economical accomplishment of complete logistical support.

2. ASSUMPTIONS. Since informal approval has been given to change the name of the P&SO to Logistics Office, as reflected by the pending revision of [REDACTED] the P&SO is referred to as the Logistics Office throughout this study.

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3. FACTS BEARING ON THE PROBLEM.

- a. The Logistical planning (or requirements determination) has been inadequately performed for the reason that the function, divided between the Logistics Division of DD/P and the Planning Staff of P&SO, was not coordinated and as a result both duplications and omissions were inevitable. Since neither of these units was producing a complete forecast of future requirements, operating elements of Logistics Office (i.e. Supply, Procurement, Transportation, and Real Estate and Construction) were functioning on a day-to-day basis unable to plan their work much beyond requirements represented by requisitions actually on hand.
- b. The supply operation in existence at the time the logistical functions were consolidated consisted mainly of the warehousing or physical handling of materiel. Stock control was non-existent in some areas and inadequately performed where it did exist. Complete inventory and property

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accountability records were not maintained. Lack of proper surveillance resulted in the loss through deterioration of large quantities of materiel.

- c. As indicated under "a" above the lack of reasonably complete requirements made it impossible to plan procurement activities beyond those indicated by requisitions already in the Office. As a result the procurement operation involved repeated purchases of items in relatively small quantities whereas with proper information as to the logistical requirements of Agency programs consolidated purchases could have been effected, probably at considerable savings in the cost of the materiel.
- d. The transportation operation transferred to Logistics Office was inadequately staffed with respect to both numerical strength and technical transportation knowledge and ability.
- e. With the expansion of Logistics Office activities to the performance of complete logistical support for the Agency, provision must be made for specialization at staff level in administrative, operational, and inspection capacities in order that the over-all activity might be properly controlled and supervised.
- f. At the present time and during the recent past it has been necessary to require a considerable amount of overtime to keep up with current workloads. While some overtime is inherent in the trucking operation, the bulk of the overtime is caused by a shortage of help. In time, this will result in a serious morale problem. Consideration must also be given to the fact that the cost of overtime work includes a premium charge amounting to almost 50% of the value of the work performed.

#### 4. DISCUSSION.

- a. Pattern of Organization. Operationally, the work of the Logistics Office falls into four basic functions. These are:
  - (1) Procurement. The acquisition of material either for direct delivery to the user or to maintain warehouse stock levels.

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- (2) Supply. The receipt, storage, maintenance, and issuance of materiel.
- (3) Transportation. The movement of men and materiel to meet program requirements.
- (4) Real Estate and Construction. The acquisition of real property (except that assigned by GSA in the metropolitan area of Washington) and the design and construction of facilities for office, warehouse, living and other purposes.

Staff activities are required to enable the Chief (and his Deputy) to supervise and control all activities of the Office through establishment of responsibility in one officer (with necessary assistance) for each of the following areas:

- (5) Special Staff. This is comparable to the function performed by a Special Assistant to the Chief.
- (6) Inspection and Review. To determine for the Chief of Logistics that regulations and established procedures are being followed, that such regulations and procedures are adequate, and to evaluate performance of logistics elements both here and overseas.
- (7) Administrative. To provide for normal activities such as personnel, budget, security, training and office services.
- (8) Coordination and Requirements. To forecast materiel requirements two years in advance by quarters and assist in the preparation of logistical annexes for specific projects.
- (9) Operations. To coordinate activities of, and furnish day-by-day direction to, the operating Divisions. To advise the Chief as to operational capabilities and requirements necessary to the accomplishment of future operations. (This has both staff and operating elements. However, since it is the liaison between the Chief of Logistics and the operating Divisions, the staff aspect predominates with respect to the direction and control of the over-all logistical activity.)

This proposed organization of the Office of the Chief of Logistics will enable him to maintain contact with all facets of his organization through five officials:

One for Operations,  
One for Requirements (Planning),

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One for Administrative matters,  
One for Performance (Inspection), and  
One for various other related matters (Special).

- b. Tables of Organization. Revision of the existing T/O is necessary to provide for increased workload and for work not presently being performed. The attachments listed here under include details of positions proposed for each Staff or Division by branch or section. It should be noted that grades and titles indicated are those proposed by the Logistics Office and are subject to determination by the Classification and Wage Division of the Personnel Office.
- c. Justification for T/Os. The attachments include such basic workload data, overtime, and other information as is available.
- d. Procedures. This office is undertaking a detailed procedural survey of the internal operations of the Logistics Office that should result in a complete manual of procedures and form a sound basis for the establishment of field procedures. In view of this, only such broad procedural information as is necessary to an understanding of the proposed Staff or Division is included in the attachments.

## 5. CONCLUSIONS.

- a. General. The most essential single need is for adequate logistical planning. This activity, properly carried out, should result in greater efficiency and economy throughout the operating Divisions.

Of almost equal importance is the need for stock control, property accountability and surveillance. These are essential in order to know what items are in supply, the value and location of non-expendable property and the maintenance of supply items in usable condition.

An internal procedural manual is essential to the orderly operations of the Office and as a basis for field procedural manuals.

- b. Organization.

- (1) Each of the four basic functions of the Logistics Office (see Section 4a. above) should be established as a Staff within the Office of the Chief. (For Charts, statements of functions, and discussion of each proposed Staff see the list of attachments.

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- (2) Each of the staff activities listed under section 4a. above should be established as a Staff within the Office of the Chief. (For Charts, statements of functions, and discussion of each proposed Staff see the list of attachments.)
- (3) Establishment of this organizational pattern will provide adequate control and supervision of the entire Logistics Office operations and provide a framework for the orderly, efficient and economical accomplishment of the mission of the Office.

- c. Tables of Organization. An increase from the present total T/O of [REDACTED] positions to a total of [REDACTED] positions (of which 50 are considered to be for training purposes) is required to adequately provide logistical support for Agency operations. Details as to increased work load or additional work are provided in the attachments.

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6. RECOMMENDATIONS. It is recommended:

- a. That the proposed organizational elements shown on the Charts included in the attachments be approved.
- b. That the proposed statements of functions included in the attachments be approved subject to concurrence by the Office of Training, Inspection and Security Office, Office of Comptroller and Personnel Office.
- c. That the proposed Table of Organization be approved subject to action by the Personnel Office as to the determination of service, grade, and title of the proposed positions.
- d. That this study and the material attached, concurred in by the Chief of Logistics be considered the justification required [REDACTED]
- e. That the study of internal procedures, already started by the O&M Service, be continued and approved procedures, be incorporated into an internal manual of procedures for the Logistics Office.
- f. That upon the completion of the internal procedure study, consideration be given to the preparation of procedural manuals for use by field logistics organizational elements.

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CONCURRENCES:

\_\_\_\_\_  
Chief, O&M Service      Date \_\_\_\_\_

\_\_\_\_\_  
Chief, P&SO (Logistics)      Date \_\_\_\_\_

\_\_\_\_\_  
Comptroller      Date \_\_\_\_\_

As to Training functions:

\_\_\_\_\_  
Director of Training      Date \_\_\_\_\_

As to Security functions:

\_\_\_\_\_  
Assistant Deputy, I&S      Date \_\_\_\_\_

\_\_\_\_\_  
Chief, General Services      Date \_\_\_\_\_

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